

## Message Text

CONFIDENTIAL

PAGE 01 TOKYO 16247 171018Z

15

ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 NEA-10 EB-11 COME-00 TRSE-00

OMB-01 SCEM-02 INT-08 CIEP-02 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 DRC-01 /152 W

----- 019777

R 170955Z DEC 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 8789

INFO AMEMBASSY LONDON

USMISSION OECD PARIS

USMISSION EC BRUSSELS

C O N F I D E N T I A L TOKYO 16247

E.O.: GDS

TAGS: ENRG, JA, LY

SUBJECT: JAPANESE CONSIDER PURCHASE OF LIBYAN OIL

SUMMARY: GOJ NOW ENGAGED IN HIGH LEVEL CONSIDERATION OF  
WHETHER JAPANESE COMPANIES SHOULD PARTICIPATE IN  
LIBYAN OIL TENDER. END SUMMARY.

1. NUMBER OF RECENT PUBLIC STATEMENTS BY SENIOR GOJ OFFICIALS  
REFLECT DEBATE NOW GOING ON WITHIN GOJ AS TO WHETHER  
OR NOT JAPANESE FIRMS SHOULD BID ON LIBYAN OIL PRIOR TO  
EXPECTED BID DEADLINE OF DECEMBER 19. CABINET SECRETARY  
NIKAIDO REPORTEDLY SAID ON DEC. 15 THAT GOJ WAS STUDYING  
"GOODWILL" LIBYAN OFFER TO EXPORT OIL TO JAPAN. MITI  
MIN NAKASONE REPORTEDLY ADDED (IN RESPONSE TO QUESTION  
POSED AT LOWER HOUSE JOINT COMMITTEE SESSION DEC. 16)  
THAT FOREIGN MINISTRY WAS NOW STUDYING WHETHER LIBYAN OIL  
TO BE OFFERED WAS SO-CALLED "HOT OIL", SINCE PURCHASE OF  
SUCH OIL MIGHT INVITE QTE REPERCUSSIONS UNQTE. NAKASONE THEN SAID  
THAT HE PERSONALLY BELIEVED THAT JAPAN SHOULD ACCEPT  
"WELL-INTENTIONED" LIBYAN OFFER EVEN IF THE QUANTITY WAS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 16247 171018Z

SMALL.

2. FONOFF SOURCE (NAKAMURA, INTERNATIONAL RESOURCES DIV.)  
CONFIRMED THAT MATTER STILL UNDER CONSIDERATION WITHIN GOJ  
AS OF DEC. 17. SINCE LIBYAN OIL TENDER MAY INCLUDE  
HOT OIL, FONOFF, NAKAMURA SAID, CAREFULLY CONSIDERING HOW  
TO RESPOND. MITI OFFICIAL ADDED THAT HE UNDERSTOOD THAT LIBYAN  
TENDER COVERED 40 MILLION KL OF OIL, WHICH WOULD UNDOUBTEDLY  
MEAN THAT SUBSTANTIAL PART WAS HOT OIL. HE SAID, HOWEVER, THAT  
MITI HAD COME TO NO CONCLUSIONS YET ABOUT WHETHER TO  
ADVISE JAPANESE FIRMS NOT TO TAKE PART IN BIDDING.

3. AT LEAST ONE MAJOR JAPANESE FIRM HAS DECIDED ON ITS  
OWN NOT TO TAKE PART IN LIBYAN BIDDING. OHIRA, OF CRUDE OIL  
PURCHASING DEPARTMENT OF MITSUBISHI CORPORATION, TOLD EMBOFF  
DECEMBER 17 THAT REGARDLESS OF POLITICAL FACTORS, MITSUBISHI  
FOUND IT IMPOSSIBLE TO PARTICIPATE BECAUSE OF PRICE  
CONSIDERATIONS. TO HIS KNOWLEDGE, OHIRA SAID,  
NO JAPANESE FIRMS HAD SUCCESSFULLY BID IN RECENT IRANIAN OIL  
SALE. SINCE MITSUBISHI UNWILLING MAKE OFFRS IN \$17 RANGE AND  
IT EXPECTED EVEN HIGHER PRICES TO BE OFFERED FOR LIBYAN CRUDE,  
IT SAW NO POINT IN SUBMITTING BID. WHILE OHIRA SAID HE COULD  
NOT SPEAK FOR OTHER COMPANIES, HE THOUGH MANY WERE LIKELY TO  
COME TO SIMILAR CONCLUSION.

4. COMMENT: EVEN IF GOJ SHOULD DECIDE TO ADVISE FIRMS NOT TO  
BID FOR LIBYAN OIL, IT IS QUESTIONABLE WHETHER UNDER  
PRESENT CIRCUMSTANCES THIS ADMINISTRATIVE GUIDANCE  
WOULD BE EFFECTIVE. MITI OFFICIALS ACKNOWLEDGE THAT AT  
THIS POINT THEY DO NOT EVEN KNOW WHICH, IF ANY, JAPANESE  
FIRMS MAY HAVE ALREADY ENTERED BIDS.  
SHOESMITH

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, SALES, PROPOSALS (BID), PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973TOKYO16247  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
**From:** TOKYO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731220/aaaaaojk.tel  
**Line Count:** 92  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 15 NOV 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <15-Nov-2001 by smithrj>; APPROVED <19-Dec-2001 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** JAPANESE CONSIDER PURCHASE OF LIBYAN OIL SUMMARY: GOJ NOW ENGAGED IN HIGH LEVEL CONSIDERATION OF  
**TAGS:** ENRG, JA, LY  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005